



*Education is when you read the fine print.
Experience is what you get if you don't.*
- Pete Seeger

Purchasing Update

Division of Purchasing, Idaho Department of Administration

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Purchasing Training Opportunities

The Idaho Division of Purchasing and the National Institute of Governmental Purchasing, Inc. (NIGP) are pleased to offer the following purchasing seminars in 2005. This training program is open to all public procurement and materials management personnel including federal, state, county, municipal, public schools, colleges, universities, hospitals, commissions, authorities, and any other political subdivisions of the State. All classes will be held in Boise, Idaho. Click on the seminar title to get a description of these offerings.

[Contracting For Services](#) - May 19-20, 2005 - 2 days - Presented by Darin Matthews, CPPO, C.P.M., Director of Purchasing, Multnomah County School District #1, Portland, OR. **Cost: \$300 per person. Registration deadline is April 15, 2005.**

Seminar Outline:

- Essential elements of services contract law
- Understanding Make or Buy Analysis
- Determine the total cost of in-house service delivery
- Developing the Statement of Work (SOW)
- Recommended format for RFP's and IFB's
- Negotiating the service contract
- Evaluating proposals
- Awarding the contract and handling protests
- Monitoring the service contract
- Partnering for successful service contracting

[Contract Administration](#) - July 27-29, 2005 - 3 days - presented by Bill Davison, CPPO, Purchasing Director, Stearns County, Saint Cloud, MN. **Cost: \$500 per person. Registration deadline is June 24, 2005.**

The class provides a framework for examining contract administration by focusing on essential elements of the discipline. It also provides the participant with a focused look at key considerations related to important contract terms and conditions that must be enforced during contract administration. The intent is for the student to develop a strong understanding of the complexities of contract administration and recognize the importance of planning, monitoring, and proactive insight into and oversight of contract performance. This class provides a comprehensive overview of the contract administration process within the public sector along with illustrations of the various methods available. Determining the appropriate contract

administration method, preparing a relevant plan, participating in the process, evaluating the success of the contract and evaluation procedures will all be addressed.

[Legal Aspects of Purchasing](#) - October 5-7, 2005 - 3 days - Presented by Barbara Johnson, MPA, CPPO, CPPB, Purchasing Manager, City of Columbus, Ohio. **Cost: \$500 per person. Registration deadline is September 1, 2005.**

Designed to be an educational exploration of the Legal Aspects of Public Procurement, this course will provide a foundation of the principles and general concepts of the law as it applies to public procurement. Course content will address issues such as the UCC, the Model Procurement Code, Sale of Goods Act and the legal implications surrounding solicitations, contracting and post award issues. Attention will be given to the ethical issues facing the profession relevant to the law. Taught by procurement professional, not an attorney, this course will focus on actual procurement situations with actual procurement implications.

Online registration and more information on these seminars is available on the purchasing web site at:

<http://www2.state.id.us/adm/purchasing/Training/NIGPRegistration.htm>

Other public purchasing training opportunities available in the Pacific Northwest:

The **Idaho Southwest - National Association of Purchasing Management** offers the following one day seminar on project management:

[Basic Project Management Tools and Techniques](#) April 21, Boise, ID

The **Washington State Chapter of NIGP** offers the following 3 seminars:

[Leadership for Procurement Professionals](#) May 12, Shoreline, WA

[CPPO Review and Exam](#) May 18-20, Everett, WA

[Developing and Managing RFP's](#) July 11-13 Olympia, WA

The **Cascadia Chapter of NIGP** offers these seminars in British Columbia, Canada:

[Developing and Managing Requests for Proposals in the Public Sector](#) - Mar 9-11, 2005

[Contract Administration](#) - Feb 14-15, 2005

Purchasing Q & A

Q: What are the rules for bidding and making awards to vendors from outside of the State? Do we have to make awards to Idaho vendors if the contract is under certain dollar amounts?

A: There are separate, distinct requirements for soliciting bid/quotes and making awards as discussed below:

Bidding Requirements – Idaho Vendors

Idaho Code and Administrative Rules require that a minimum of three (3) vendors having a significant Idaho economic presence be solicited to submit bids or quotes. Idaho Significant presence means that a company is domiciled (chartered, incorporated, has permanent headquarters, or principle place of business) in Idaho or, if domiciled outside of Idaho, can be considered domiciled if they have a one (1) year presence in Idaho and are registered with the Secretary of State.

If a company is chartered or incorporated in Idaho, they have an immediate economic presence and do not have to be in business for one (1) year to be considered domiciled. The one (1) year presence requirement is only for those companies that are incorporated or headquartered outside of Idaho.

Obviously it would be very time-consuming and impractical to check on every vendor we send a solicitation to see in which state they are chartered or incorporated and how long they have been in business in Idaho. We generally assume that if they have an Idaho address, they have a significant Idaho economic presence, although that may not always be true. Using the Internet to post bids and quotes has been helpful in this regard as it delivers solicitation notification to multiple Idaho vendors, usually surpassing the requirement to solicit at least three (3).

Whether a vendor has a significant Idaho economic presence or not is not a factor in determining the contract award, only a requirement of bidding/quotation process. The purpose is to enhance small business opportunities, not to provide a preference for Idaho vendors.

IDAPA 38.05.01.03. Procedure. Unless impractical or impossible and documented in the file, these small purchase procedures require the acquisition to be publicly posted. Except as otherwise provided in this rule, no less than three (3) vendors having a significant Idaho presence as defined by Section 67-2349, Idaho Code, shall be solicited to submit quotations. Award shall be made to the responsible and responsive bidder offering the lowest acceptable quotation. The purchasing file will be fully documented for unacceptable quotations. Should it be impractical or impossible to solicit three (3) vendors, the file shall be fully documented and every effort should still be made to obtain the most favorable terms, conditions and price possible.

Idaho Code 67-5718 (3). To enhance small business bidding opportunities, the administrator shall seek a minimum of three (3) bids from vendors having a significant Idaho economic presence as defined in section 67-2349, Idaho Code.

Making Awards

Idaho Code and Administrative Rules require that awards be made to the lowest responsible and responsive bidder. A determination of responsibility may include a number of evaluated criteria other than cost. Significant Idaho economic presence is not a factor in determining the award. There is no requirement concerning how long a company has been in business or where they are located, although those factors could be used to evaluate a company's qualifications. There is no requirement that only Idaho vendors be awarded contracts under certain dollar amounts. In some cases application of the reciprocal preference law (I.C. 67-2348 and 67-2349) will cause an award to be made to an Idaho vendor even though their price is higher.

Idaho Code 67-5718 (4) "...Contracts shall be awarded to and orders placed with the lowest responsible bidder on the basis of initial proposals received or, if applicable, following receipt and evaluation of best and final offers or negotiations."

IDAPA 38.05.01.03. Procedure. "... Award shall be made to the responsible and responsive bidder offering the lowest acceptable quotation."

IDAPA 38.05.01.081 Evaluation and Award. Any contract award shall comply with these provisions.

01. General. The contract is to be awarded to the lowest responsible and responsive bidder or offeror. The solicitation shall set forth the requirements and criteria that will be used to make the lowest responsive and responsible determination. No submission shall be evaluated for any requirements or criteria that are not disclosed in the solicitation.

02. Standards Of Responsibility. Nothing herein shall prevent the buyer from establishing additional responsibility standards for a particular purchase, provided that these additional standards are set forth in the solicitation. Factors to be considered in determining whether a vendor is responsible include whether the vendor has:.....

Q: In relationship to the above discussion, how is reciprocal preference applied when making awards?

A: Reciprocal preference is only applied under the following conditions:

1. When a bid/quote price is compared from a company with a significant Idaho presence against a company from outside of the state that does not have a significant Idaho economic presence and
2. the company outside of the state has a preference in their own state.

If the above conditions are met, the other state's preference amount (usually a percentage) is added to the vendor's bid/quote price from that state, causing its price to be higher. It is then compared to the vendors with a significant Idaho economic presence for award purposes only.



DOP Welcomes New IT Purchasing Officer

Gregory Lindstrom is the new Information Technology Purchasing Officer for the Division of Purchasing, effective January 31, 2005. Most recently, he was employed by the City of Boise as a Purchasing Specialist and also was employed by Hewlett-Packard, and Honeywell Corporation. Lindstrom is a Business Computer Sciences graduate of Boise State University and has an extensive background in materials acquisition and control, Master scheduling and manufacturing systems' software. Gregory also has a music background (piano and percussion) and has a fairly exclusive guitar collection (oldest is a 1961 Gibson). He and his wife, Arin, are parents of a daughter, Brittany, who is a student at BSU.

National Conference of State Fleet Administrators

Coming to Idaho

The Idaho Transportation Department is hosting the National Conference of State Fleet Administrators' 2005 conference at the Coeur d'Alene Resort. The dates of the conference are Tuesday, September 27 - Friday, September 30, 2005.

The National Conference of State Fleet Administrators (NCSFA) was established in 1987 to encourage communication between state officials involved in fleet administration. Through NCSFA, these administrators have established a nationwide network for information exchange facilitated by the annual conference, the quarterly newsletter, national surveys and a compilation of fleet-related data maintained by the staff of the NCSFA.

The agenda will be finalized this spring and will be posted on the website. Typically registration is about \$250/person. The organization's website is <http://ncsfa.state.ut.us>.



Requisition Deadline

Agencies are reminded that all requisitions (form DA1 or Sicommet ePurchasing requisitions), including specifications and any required approvals, for purchases to be made from Fiscal Year 2005 funds are to be received by the Division of Purchasing no later than April 15, 2005. This deadline is necessary to ensure that all bidding procedures can be followed and the funds encumbered prior to June 30, 2005. Please review your needs and submit purchase requisitions as soon as possible prior to April 15, 2005.

Purchasing Update is a newsletter for the **Department of Administration, Division of Purchasing** designed to provide purchasing information to state and public agency purchasing personnel. Anyone wishing to contribute information and ideas for future articles; has questions regarding state purchasing issues; the **Division of Purchasing** mission or activities, please contact Frank Pierce at (208)-327-7322 or frank.pierce@adm.idaho.gov